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BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
APRIL 17, 1997
DOCKET NO. 97-156-E - ORDER NO. 97-333

IN RE: Application by South Carolina)	
Electric & Gas Company for)	ORDER APPROVING
Authority to Issue and Sell)	ISSUANCE AND SALE
100,000 Additional Shares of)	OF PREFERRED STOCK
Cumulative Preferred Stock, of the)	
Par Value of \$100 Per Share)	

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the verified Application dated April 11, 1997, and filed on April 11, 1997, by South Carolina Electric & Gas Company (the "Company") whereby the Company sought certain relief in the nature of the authorization to issue and sell 1,000,000 additional shares of its Cumulative Preferred Stock, of the par value of \$100 per share (the "New Preferred Stock"). The Application was filed pursuant to S.C. Code Ann., 58-27-1720 (1976) and the Commission's Rules and Regulations.

The Application asserts that the Company proposes to offer the New Preferred Stock pursuant to an Underwriting Agreement to PaineWebber Incorporated (the "Underwriter") which will offer such New Preferred Stock to the public in accordance with the terms of the Underwriting Agreement. The Company has filed with this Commission a pro forma balance sheet and income statement (Exhibit "A" to the Application), the Registration Statement on Form S-3 (Exhibit "B" to the

Application), and the Company's Annual Report on Form 10-K for the year ended December 31, 1996. (Exhibit "C" to the Application). A draft of the Articles of Amendment designating the New Preferred Stock and the relative rights, limitations and preferences of the New Preferred Stock, to be filed with the Secretary of State, and a draft of the proposed underwriting Agreement are included as exhibits to the Registration Statement.

According to the instant Application, the net proceeds from the sale of the New Preferred Stock will be used to reduce short-term indebtedness incurred for the Applicant's construction program, to refinance senior securities or for general corporate purposes.

The Company has, by the Application, together with Exhibits "A", "B" and "C" attached to said Application, advised the Commission fully of the proposed terms of the Underwriting Agreement between it and the Underwriter, the proposed conditions of the purchase, the proposed terms of the New Preferred Stock, and of the Company's financial condition.

The Company proposes to sell the New Preferred Stock at a stated dividend rate which would adjust the amount of dividends payable in the event of certain amendments to the Internal Revenue Code of 1986, as amended, in respect of the dividends-received deduction. The Company proposes to offer the New Preferred Stock at a dividend rate that, after giving full effect to the potential adjustment for changes in the

dividends-received deduction, will not exceed 8%. The New Preferred Stock will not be entitled to any sinking fund or purchase fund. The New Preferred Stock may be redeemed at the option of the Company in whole or in part at any time upon 30 days' notice, but not prior to a period of at least eight years, at prices determined based upon market conditions at the time of sale, but in no event at prices exceeding 108% of par value plus accrued and unpaid dividends at the time of redemption.

The Underwriter proposes to offer the New Preferred Stock to the public at an initial offering price per share of no more than \$100 and no less than \$95. Such offering price will be subject to change by the Underwriter after the initial public offering. The underwriting commission will not exceed 3.15% of the price to the public of the New Preferred Stock sold.

After investigation by the Commission staff, and after full consideration by this Commission, we are of the opinion, and so find, that the matters set forth in the Application, together with the attached Exhibits "A", "B" AND "C", are true and that the purpose of the issue and sale of the New Preferred Stock is proper, that the arrangements for the sale of the New Preferred Stock are satisfactory and that the amount of the New Preferred Stock to be sold is reasonable and necessary for the Company's corporate purposes for the uses as stated herein.

IT IS THEREFORE ORDERED:

1. That South Carolina Electric & Gas Company be, and hereby is, authorized to offer, issue and sell the New Preferred Stock, pursuant to the terms of an Underwriting Agreement substantially in the form included as part of the Registration Statement filed with the Application (Exhibit "B") to PaineWebber Incorporated, which will offer such New Preferred Stock to the public.

2. That the net proceeds from the sale of the New Preferred Stock be used to reduce short-term indebtedness incurred for the Company's construction program, to refinance senior securities or for general corporate purposes.

3. That South Carolina Electric & Gas Company be, and hereby is, authorized to enter into, perform and carry out the terms of, and is further authorized to make such changes in the form of, the Underwriting Agreement as may be reasonably necessary to consummate the proposed transaction.

4. That South Carolina Electric & Gas Company file with the Commission within thirty (30) days after the sale of the New Preferred Stock is consummated, a copy of the final Prospectus, the Articles of Amendment and the Underwriting Agreement for the sale of the New Preferred Stock in the final form in which they are executed.

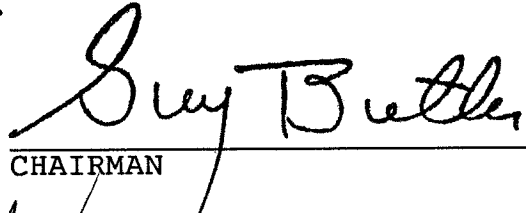
5. That approval of this Application does not bind the Commission as to the ratemaking treatment of this issuance.

6. That this Order shall not, in any way, affect or limit the right, duty, or jurisdiction of the Commission to further

investigate and Order revisions, modifications, or changes with respect to any provision of the Order in accordance with the law.

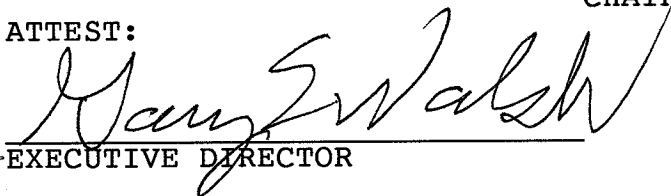
7. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION.



CHAIRMAN

ATTEST:



Deputy EXECUTIVE DIRECTOR

(SEAL)